

RESOLUTION NO. 2004-04

A RESOLUTION OF INTENT TO CREATE THE "SILVERTON'S WEST SIDE SPECIAL IMPROVEMENT DISTRICT" PURSUANT TO TITLE 31, ARTICLE 25, PART 5, COLORADO REVISED STATUTES, FOR THE PURPOSE OF CONSTRUCTING STREET, ALLEY, DRAINAGE, ELECTRICAL, WATER, AND SEWER IMPROVEMENTS THROUGHOUT THE IMPROVEMENT DISTRICT TO BE CREATED.

WHEREAS, petitions to create the "Silverton's West Side General Improvement District" as a special improvement district were presented to the Town Board on June 9, 2003 for the Board's review and further consideration;

WHEREAS, the Town Board was advised that Planning Staff review of the submitted petitions concluded that the Statutory conditions for proceeding with a public hearing on the petitions was met by the petitioners;

WHEREAS, the Town Board held a public hearing on the submitted petitions on July 14, 2003 and the Board found that: (1) the current assessed value of properties within the proposed district equaled \$2,878,547 of which the owners of 56.8% of the assessed value of the district had signed petitions in favor of creating the special improvement district; (2) there are 175 lots located within the proposed district of which the owners of 110 of the lots had signed a petition in favor of creating the special improvement district; and (3) there were 31 separate property owners within the proposed district of which 18 had signed a petition in favor of creating the special improvement district.

WHEREAS, upon conclusion of the public hearing held on July 14, 2003 to consider the sufficiency of the petitions submitted for creation of the "Silverton's West Side General Improvement District" as a special improvement district, a motion was made to find the petition for the organization of the proposed district to have been duly signed and presented in conformity with the ordinances and statutes of the Town of Silverton and the State of Colorado to allow the proposed district to move forward to a vote of the tax paying electors of the district to incur whatever debt will be required to allow that district to move forward. The motion passed unanimously on a vote of 7 in favor to 0 in opposition.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Town of Silverton, Colorado that:

1. In response to the petitions previously submitted for the creation of the "Silverton's West Side General Improvement District" as a special improvement district and in accordance with the provisions of the Town Code of the Town of Silverton, Colorado, the Statutes of the State of Colorado, and the provisions of this resolution, the Town of Silverton intends to create the "Silverton's West Side Special Improvement District" pursuant to Title 31, Article 25, Part 5 of the Colorado Revised Statutes. Though the petitions submitted to public hearing on July 14, 2003 specified that the district be named "Silverton's West Side General Improvement District", the petitioners have advised that it was always their intent to create a special improvement district under the law – not understanding the differences between "special" and "general" improvement districts under State Statutes – and the Petitioners and Town mutually agree that to avoid any confusion in the creation and financing of this special improvement district, the district shall be named "Silverton's West Side Special Improvement District" which accurately reflects the intentions of both parties during the petition review and approval process.
2. The properties to be included within the "Silverton's West Side Special Improvement District" shall include all real properties, excluding those properties owned by the Town of Silverton, Colorado, situated within the following described boundaries: "Beginning at the southwest corner of Lot 13, Block 39, Town of Silverton, State of Colorado, as defined on the Town of Silverton plat by Jessie J. Messenger, LS14621, dated 9/20/72; thence, North 52 degrees 35 minutes 11 seconds West, 1036.00 feet along the northerly boundary of 10<sup>th</sup> Street to the southwest corner of Block 2, Taylor's Addition, with all other bearings contained herein being relative thereto; thence, South 37 degrees 24 minutes 52 seconds West, 840.00 feet along the easterly boundary of Gilman Avenue to the northwest corner of Block G, Taylor's Addition; thence, South 52 degrees 35 minutes 11 seconds East, 294 feet along the southerly boundary of 8<sup>th</sup> Street to the northwest corner of Block H, Taylor's Addition; thence, South 37 degrees 24 minutes 52 seconds West, 84 feet along the easterly boundary of Porter Street to the southwest corner of Block H, Taylor's Addition; thence, South 50 degrees 08 minutes 46 seconds East, 171 feet to the southeast corner of Block H, Taylor's Addition; thence, North 37 degrees 31 minutes 14 seconds East, 91 feet to the northeast corner of Block H, Taylor's Addition; thence, South 52 degrees 35 minutes 11 seconds East, 571 feet along the southerly boundary of 8<sup>th</sup> Street to the northwest corner of Lot 24, Block 58, Town of Silverton; thence, North 37 degrees 25 minutes 13 seconds East, 840.00 feet along the easterly alley boundary in Blocks 55 and 42 to the place of beginning. Said improvement district encompasses 20.23 acres."

For improvement district assessment purposes, the "Silverton's West Side Special Improvement District" includes Blocks 7, Block 8 (excepting Lots 17 and 18), Block 9, Block 10, and Block H of the Taylor's Addition; and Block 41, W ½ Block 42, W ½ Block 55, and Block 56 of the Town of Silverton.

3. The preliminary plans, specifications, and description of materials to be used in constructing the improvements for the "Silverton's West Side Special Improvement District" are attached hereto as Appendix A, and by reference thereto the preliminary plans, specifications, and materials descriptions are incorporated herein as though fully set forth herein.
4. The Method of Assessment shall be by a Zone Method of Apportionment in order to assure that the special assessment apportioned to each property within the "Silverton's West Side Special Improvement District" is not greater than the special benefit conferred on the affected properties by the constructed improvements. The Method of Assessment is attached hereto as Appendix B, and by reference thereto the Method of Assessment is incorporated herein as though fully set forth herein.
5. The Number of Installments of Assessments is ten (10) annual installments for a ten-year bond retirement period. The Number of Installments may be increased to a greater number, not to exceed thirty (30) in thirty (30) years if it is necessary to extend the bond retirement period due to requirements specified in the bonds ultimately issued to finance the project.
6. The Estimated Capital Cost to the "Silverton's West Side Special Improvement District" is estimated to be \$1,860,000 as shown below:

| <u>Cost Item</u>                    | <u>Estimated Cost</u> |
|-------------------------------------|-----------------------|
| Estimated Construction Costs        | \$1,453,100           |
| Estimated Engineering Costs         | \$ 142,900            |
| Estimated Bond Consultant Costs     | \$ 26,000             |
| Estimated Bond Counsel Costs        | \$ 32,000             |
| Estimated Town Administrative Costs | \$ 20,000             |
| <u>Bond Account Fund</u>            | <u>\$ 186,000</u>     |
| Total                               | \$1,860,000           |

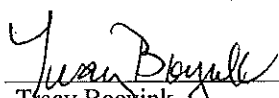
Bond Interest Rate for a 10-Year Bond Retirement Schedule is estimated at 7.5% on a \$1,860,000 bond issue. The Amortized Annual Principal and Interest Payment for the 10-year issue is estimated to be \$262,725 per year. Total Interest to be paid over the 10-year term of the issue is estimated to be \$767,250.

A map of the "Silverton's West Side Special Improvement District" and the Estimated Schedule of Assessments is attached hereto as Appendix C, and by reference thereto the Schedule of Assessments is hereby incorporated herein as though fully set forth herein.

7. A public hearing on the creation of the "Silverton's West Side Special Improvement District" as outlined and described herein shall be scheduled for 7:30 p.m. on September 13, 2004 in the Silverton Town Hall, 1360 Greene Street, Silverton, Colorado. The Town Clerk-Treasurer is hereby directed to publish Notice of the Hearing in the Silverton Standard and the Miner, on August 20, 2004 and to mail notice to all property owners, as shown of record in the Office of the San Juan County Assessor, on or about August 20, 2004. At the public hearing, the Board shall receive and consider all comments received regarding the creation of the "Silverton's West Side Special Improvement District" and, following the hearing, decide whether or not to adopt an ordinance creating the Improvement District. Objections by the owners of the real property to be assessed for more than one-half of the estimated total cost of the improvements will defeat the district. If objections by the owners of the real property to be assessed is less than one-half of the estimated total cost of the improvements, the Town Board may proceed with the adoption of an ordinance providing for the creation of the district, establishing the boundaries of the district, approving the kind and location of the improvements to be constructed, adopting the method of assessment, and approving the estimated total cost and the estimated unit cost for assessments on properties within the district.

ADOPTED AND MADE EFFECTIVE THIS 9<sup>th</sup> day of August, 2004

ATTEST:

  
Tracy Boeyink  
Town Clerk-Treasurer

  
James D. Huffman  
Mayor

APPENDIX A  
PRELIMINARY PLANS, SPECIFICATIONS, AND MATERIAL DESCRIPTIONS

By  
Blueline Engineering & Drafting Inc.  
104 South 1<sup>st</sup> Street  
Montrose, Colorado

| Item No.   | Item Description                    | Quantity/Units | Unit Cost    | Total Cost     |
|--|-------------------------------------|----------------|--------------|----------------|
| MISCELLANEOUS  |                                     |                |              |                |
| 1.   | Mobilization                        | 1/Lump Sum     | \$ 11,500.00 | \$ 11,500.00   |
| 2.   | Erosion Control                     | 1/Lump Sum     | \$ 11,500.00 | \$ 11,500.00   |
| 3.   | Revegetation                        | 1/Lump Sum     | \$ 11,500.00 | \$ 11,500.00   |
| S/T MISCELLANEOUS                                    |                                     |                | SAY          | \$ 34,500.00   |
| EARTHWORK, ALLEYS & STREETS                          |                                     |                |              |                |
| 4.   | 6" Topsoil Stripping                | 15,000/SqYd    | \$ 2.30      | \$ 34,500.00   |
| 5.   | Subgrade Preparation                | 15,000/SqYd    | \$ 4.03      | \$ 60,450.00   |
| 6.   | Street Cut                          | 14,649/CuYd    | \$ 5.18      | \$ 75,881.82   |
| 7.   | Street Fill                         | 9,437/CuYd     | \$ 5.18      | \$ 48,883.66   |
| 8.   | Sub-Base, CDOT CL3 Pit Run          | 9,421/TONS     | \$ 16.10     | \$ 151,678.10  |
| 9.   | Surfacing, CDOT CL6                 | 5,582/TONS     | \$ 19.55     | \$ 109,128.10  |
| 10.  | Concrete V-Pan                      | 8,950/LiFt     | \$ 13.80     | \$ 123,510.00  |
| 11.  | Compaction Testing                  | 1/Lump Sum     | \$ 11,500.00 | \$ 11,500.00   |
| 12.  | Concrete Testing                    | 1/Lump Sum     | \$ 2,300.00  | \$ 2,300.00    |
| S/T EARTHWORK, ALLEYS & STREETS                      |                                     |                | SAY          | \$ 617,700.00  |
| WATER DISTRIBUTION                                   |                                     |                |              |                |
| 13.  | Connect to Existing Main            | 2/Each         | \$ 3,450.00  | \$ 6,900.00    |
| 14.  | Pipe, 8" PVC, CL52 D.I. (7.5' Deep) | 3,550/LiFt     | \$ 40.25     | \$ 142,887.50  |
| 15.  | 8" Gate Valves                      | 17/Each        | \$ 1,150.00  | \$ 19,550.00   |
| 16.  | 90 & 45 Degree Elbows               | 4/Each         | \$ 1,150.00  | \$ 4,600.00    |
| 17.  | Tees                                | 4/Each         | \$ 1,725.00  | \$ 6,900.00    |
| 18.  | Fire Hydrants                       | 7/Each         | \$ 2,875.00  | \$ 20,125.00   |
| 19.  | Hydro-Pressure Testing              | 1/Lump Sum     | \$ 5,750.00  | \$ 5,750.00    |
| 20.  | Bacterial Testing                   | 1/Lump Sum     | \$ 1,150.00  | \$ 1,150.00    |
| S/T WATER DISTRIBUTION                               |                                     |                | SAY          | \$ 207,900.00  |
| WATER STORAGE SYSTEM                                 |                                     |                |              |                |
| 21.  | Excavation                          | 1,264/CuYd     | \$ 3.45      | \$ 4,360.80    |
| 22.  | Storage Tanks                       | 4/Each         | \$ 23,000.00 | \$ 92,000.00   |
| 23.  | Bedding                             | 630/TONS       | \$ 13.80     | \$ 8,694.00    |
| 24.  | Backfill                            | 350/CuYd       | \$ 3.45      | \$ 1,207.50    |
| 25.  | Booster Pump and Vault              | 1/Each         | \$ 34,500.00 | \$ 34,500.00   |
| 26.  | Dual Piping                         | 1,000/LiFt     | \$ 46.00     | \$ 46,000.00   |
| S/T WATER STORAGE SYSTEM                             |                                     |                | SAY          | \$ 186,800.00  |
| SEWER COLLECTION SYSTEM                              |                                     |                |              |                |
| 27.  | Pipe, 8" PVC, SDR-35 (5' Deep)      | 4,970/LiFt     | \$ 28.75     | \$ 142,887.50  |
| 28.  | Manholes                            | 18/Each        | \$ 3,450.00  | \$ 62,100.00   |
| 29.  | Low Pressure Testing                | 1/Lump Sum     | \$ 5,750.00  | \$ 5,750.00    |
| S/T SEWER COLLECTION SYSTEM                          |                                     |                | SAY          | \$ 210,800.00  |
| STORMWATER DRAINAGE SYSTEM                           |                                     |                |              |                |
| 30.  | Catch Basins & Piping               | 1/Lump Sum     | \$ 8,650.00  | \$ 8,650.00    |
| 31.  | Detention Pond & Outlet Box         | 1/Lump Sum     | \$ 8,650.00  | \$ 8,650.00    |
| S/T STORMWATER DRAINAGE SYSTEM                       |                                     |                | SAY          | \$ 17,300.00   |
| UTILITIES  |                                     |                |              |                |
| 32.  | Power & Telephone                   | 1,600/LiFt     | \$ 11.50     | \$ 18,400.00   |
| 33.  | Street Lamps                        | 6/Each         | \$ 1,725.00  | \$ 10,350.00   |
| 34.  | Equipment (Xfrn. Pull Box, Etc.)    | Allowance      |              | \$ 17,250.00   |
| S/T UTILITIES  |                                     |                | SAY          | \$ 46,000.00   |
| S/T PROJECT CONSTRUCTION COSTS                       |                                     |                |              | \$1,321,000.00 |
| 10% CONSTRUCTION CONTINGENCY                         |                                     |                |              | \$ 132,100.00  |
| TOTAL CONSTRUCTION COST ESTIMATE                     |                                     |                |              | \$1,453,100.00 |
| ENGINEERING SERVICES                                 |                                     |                |              |                |
| Civil Engineering Design Services                    |                                     |                |              | \$ 66,100.00   |
| Geotechnical Engineering Design Service Allowance    |                                     |                |              | \$ 5,000.00    |
| Construction Engineering Support Services            |                                     |                |              | \$ 35,900.00   |
| Construction Staking & Surveying Services            |                                     |                |              | \$ 35,900.00   |
| S/T ENGINEERING SERVICES                             |                                     |                |              | \$ 142,900.00  |
| PROJECT GRAND TOTAL FOR CONSTRUCTION AND ENGINEERING |                                     |                |              | \$1,596,000.00 |

**APPENDIX B  
METHOD OF ASSESSMENT**

The Method of Assessment to be utilized in the “Silverton’s West Side General Improvement District” shall be a zone assessment in order to assure that the assessment against any particular tract within the Improvement District does not exceed the proportional benefits compared to other tracts within the District as required by State Statute. The Town of Silverton has analyzed the cost of installing improvements throughout the district and proportioned the cost of street and alley, water distribution system, water storage system, sewer collection system, drainage system, and utility system improvements to each of four (4) zones in relationship to the extent of improvements necessary to service the zone. The following documents the assessment of costs to each zone:

| <u>Zone Designation</u> | <u>Zone Description</u> | <u>Project Expense</u> | <u>No. of Lots</u> | <u>Cost/Lot</u> | <u>% Costs</u> |
|-------------------------|-------------------------|------------------------|--------------------|-----------------|----------------|
| Zone A                  | W½ Blks 42 & 55         | \$ 225,487             | 24                 | \$ 9,395        | 14.13          |
| Zone B                  | Blks 41 & 56            | \$ 458,608             | 48                 | \$ 9,554        | 28.73          |
| Zone C                  | Blks 8, 9 & H           | \$ 502,993             | 53*                | \$ 9,490        | 31.52          |
| Zone D                  | Blks 7 & 10             | \$ 408,912             | 48                 | \$ 8,519        | 25.62          |
| TOTAL PROJECT EXPENSE   |                         | \$1,596,000            |                    |                 |                |

\* NOTE: The Town of Silverton owns 2 lots within Zone C. The cost of improvements for these two lots is not assessed to the Town of Silverton to avoid increasing the debt of the Town and necessitating a TABOR Election of the entire community concerning the issuance of debt for the Improvement District. The assessment costs against these two lots is equitably distributed against all other lots in the Improvement District. The assessed to each lot within the District is calculated at \$108.46.

The above Project Expenses are itemized as follows:

|   |             |
|---|-------------|
| Construction of Improvements                  | \$1,286,500 |
| Mobilization, Erosion Control, & Revegetation | \$ 34,500   |
| Construction Contingency                      | \$ 132,100  |
| Engineering                                   | \$ 142,900  |
| TOTAL PROJECT EXPENSE                         | \$1,596,000 |

# **APPENDIX C** **IMPROVEMENT DISTRICT MAP** **AND** **SCHEDULE OF ASSESSMENTS**

The Schedule of Assessments for the "Silverton's West Side General Improvement District" include the following itemized expenses to the District:

| <u>EXPENSE ITEM</u>                           | <u>EXPENSE AMOUNT</u> |
|---|-----------------------|
| Construction (Including Contingency)          | \$1,453,100           |
| Engineering Expenses                          | \$ 142,900            |
| Bond Sale Expenses                            | \$ 26,000             |
| Bond Counsel Expenses                         | \$ 32,000             |
| Town Administrative Expenses                  | \$ 20,000             |
| Bond Account Fund                             | \$ 186,000            |
| <b>TOTAL BOND EXPENSE</b>                     | <b>\$1,860,000</b>    |
| <br>Amount of Bond Sale                       | <br>\$1,860,000       |
| <u>Amount of Interest (7.5% for 10 Years)</u> | <u>\$ 767,250</u>     |
| <b>TOTAL FINANCING COST</b>                   | <b>\$2,627,250</b>    |

The Schedule of Assessments for a 10-Year Issue on the "Silverton's West Side General Improvement District" is as follows:

| <u>PROPERTY / OWNER</u>    | <u>BOND EXPENSE</u> | <u>INTEREST EXPENSE</u> | <u>ANNUAL P&amp;I EXPENSE</u> |
|----------------------------|---------------------|-------------------------|-------------------------------|
| <b>BLOCK H</b>             |                     |                         |                               |
| Lots 2-8 / J. Field        | \$ 77,432           | \$ 31,941               | \$ 10,937                     |
| <b>BLOCK 7</b>             |                     |                         |                               |
| Lots 1-24 / Blom           | \$238,266           | \$ 98,285               | \$ 33,655                     |
| <b>BLOCK 8</b>             |                     |                         |                               |
| Lots 1-8 / Galland         | \$ 88,494           | \$ 36,504               | \$ 12,500                     |
| Lots 9-12 / Friedman       | \$ 44,247           | \$ 18,252               | \$ 6,250                      |
| Lots 13-16 / Mott          | \$ 44,247           | \$ 18,252               | \$ 6,250                      |
| Lots 17-18 / Town          | \$ 0                | \$ 0                    | \$ 0                          |
| Lots 19-20 / M. Field      | \$ 22,123           | \$ 9,126                | \$ 3,125                      |
| Lots 21-24 / Melle         | \$ 44,247           | \$ 18,252               | \$ 6,250                      |
| <b>BLOCK 9</b>             |                     |                         |                               |
| Lots 1-2 / Seemus          | \$ 22,123           | \$ 9,126                | \$ 3,125                      |
| Lots 3-6 / Wiebe           | \$ 44,247           | \$ 18,252               | \$ 6,250                      |
| Lots 7-9 / Luther          | \$ 33,185           | \$ 13,689               | \$ 4,687                      |
| Lot 10 / Sprayberry        | \$ 11,062           | \$ 4,563                | \$ 1,563                      |
| Lots 11-12 / Nelson        | \$ 22,123           | \$ 9,126                | \$ 3,125                      |
| Lots 13-14 / Nickelsen     | \$ 22,123           | \$ 9,126                | \$ 3,125                      |
| Lots 15-16 / Frenk         | \$ 22,123           | \$ 9,126                | \$ 3,125                      |
| Lots 17-18 / Ehlers        | \$ 22,123           | \$ 9,126                | \$ 3,125                      |
| Lots 19-24 / Wiebe         | \$ 66,370           | \$ 27,378               | \$ 9,375                      |
| <b>BLOCK 10</b>            |                     |                         |                               |
| Lots 1-24 / Grenadiers     | \$238,266           | \$ 98,285               | \$ 33,655                     |
| <b>BLOCK 41</b>            |                     |                         |                               |
| Lots 1-6 / Galland         | \$ 66,797           | \$ 27,554               | \$ 9,435                      |
| Lots 7-9 / Chance          | \$ 33,399           | \$ 13,777               | \$ 4,718                      |
| Lot 10 / Plevich           | \$ 11,133           | \$ 4,592                | \$ 1,573                      |
| Lots 11-12 / Chance        | \$ 22,266           | \$ 9,185                | \$ 3,145                      |
| Lots 13-16 / Erickson      | \$ 44,532           | \$ 18,369               | \$ 6,290                      |
| Lots 17-20 / L. Rieder     | \$ 44,532           | \$ 18,369               | \$ 6,290                      |
| Lots 21-24 / G. Rieder     | \$ 44,532           | \$ 18,369               | \$ 6,290                      |
| <b>BLOCK 42</b>            |                     |                         |                               |
| Lots 1-4 / Kitchen         | \$ 43,803           | \$ 18,069               | \$ 6,187                      |
| Lots 5-12 / P. Wohlauser   | \$ 87,606           | \$ 36,137               | \$ 12,374                     |
| <b>BLOCK 55</b>            |                     |                         |                               |
| Lots 1-6 / G. Wohlauser    | \$ 65,705           | \$ 27,103               | \$ 9,281                      |
| Lots 7-9 / M. Gutmann      | \$ 32,852           | \$ 13,552               | \$ 4,640                      |
| Lots 10-12 / F. Gutmann    | \$ 32,852           | \$ 13,552               | \$ 4,640                      |
| <b>BLOCK 56</b>            |                     |                         |                               |
| Lots 1-4 / Anvil Mountain  | \$ 44,532           | \$ 18,369               | \$ 6,290                      |
| Lots 5-8 / Anvil Mountain  | \$ 44,532           | \$ 18,369               | \$ 6,290                      |
| Lots 9-12 / Anvil Mountain | \$ 44,532           | \$ 18,369               | \$ 6,290                      |
| Lots 13-14 / Bachman       | \$ 22,266           | \$ 9,185                | \$ 3,145                      |
| Lots 15-16 / Tuohy         | \$ 22,266           | \$ 9,185                | \$ 3,145                      |
| Lots 17-20 / Cothran       | \$ 44,532           | \$ 18,369               | \$ 6,290                      |
| Lots 21-24 / Peterson      | \$ 44,532           | \$ 18,369               | \$ 6,290                      |



